

August 30, 2001

Ms. Amy Dierdorff
Valspar Industries, Inc.
546 West Abbott Street
Indianapolis, IN Zip Code

Re: T097-14326-00040
Minor Source Modification to:
Part 70 permit No.: T097-7789-00040

Dear Ms. Dierdorff:

Valspar Industries, Inc., was issued Part 70 operating permit T097-7789-00400 on August 31, 1999 for paint manufacturing. An application to modify the source was received on April 19, 2001. Pursuant to 326 IAC 2-7-10.5 the following emission units are approved for construction at the source:

One (1) Latex Paint Production Line, identified as emission unit EU-17, consisting of a 6,000 gallon raw material storage tank, a 8,000 gallon dispersion mixer, and a 4,500 gallon letdown tank. This process will incorporate the use of the following existing tanks: 6,000 gallon raw material storage tank, a 6,000 gallon finished goods tank, and a 8,000 gallon finished goods tank. The water-based paint manufacturing process consists of adding dry ingredients to a dispersion mixer and wetting this product with water and ethylene glycol. The product is then mixed and transferred to the letdown tank where QA/QC checks are performed. The product is transferred to the finished product tanks for transfer to shipping containers. The production line has a maximum capacity rate of 20,000 tons per year of finished product. The initial loading and dispersion step of the process generate PM/PM10 emissions. The PM/PM10 emissions are controlled with a Torit Donaldson model TD-1150-155 pulse jet dust collector identified as DC-17.

The following construction conditions are applicable to the proposed project:

General Construction Conditions

1. The data and information supplied with the application shall be considered part of this source modification approval. Prior to any proposed change in construction which may affect the potential to emit (PTE) of the proposed project, the change must be approved by the Indianapolis Office of Air Management (OAM).
2. This approval to construct does not relieve the permittee of the responsibility to comply with the provisions of the Indiana Environmental Management Law (IC 13-11 through 13-20; 13-22 through 13-25; and 13-30), the Air Pollution Control Law (IC 13-17) and the rules promulgated thereunder, as well as other applicable local, state, and federal requirements.
3. Effective Date of the Permit
Pursuant to IC 13-15-5-3, this approval becomes effective upon its issuance.
4. Pursuant to 326 IAC 2-1.1-9 and 326 IAC 2-7-10.5(i), the Commissioner may revoke this approval if construction is not commenced within eighteen (18) months after receipt of this approval or if construction is suspended for a continuous period of one (1) year or more.
5. All requirements and conditions of this construction approval shall remain in effect

unless modified in a manner consistent with procedures established pursuant to 326 IAC 2.

6. Pursuant to 326 IAC 2-7-10.5(l) the emission units constructed under this approval shall not be placed into operation prior to revision of the source's Part 70 Operating Permit to incorporate the required operation conditions.

The proposed operating conditions applicable to these emission units are attached to this Source Modification approval. These proposed operating conditions shall be incorporated into the Part 70 operating permit as an administrative amendment in accordance with 326 IAC 2-7-10.5(l)(1) and 326 IAC 2-7-11.

This decision is subject to the Indiana Administrative Orders and Procedures Act - IC 4-21.5-3-5. If you have any questions on this matter call Mr. David Foster, Indianapolis Office of Environmental Resources Management, Indianapolis, Indiana, 46221, or call at (317) 327-2292.

Sincerely,

Original Signed by Vaneeta M. Kamar
Vaneeta M. Kumar
Administrator
Office of Environmental Services

Attachments: Technical Support Document
dsf

cc: Matt Mosier, Compliance, ERMD
Mindy Hahn, IDEM, OAM
U.S. EPA, Region V

**Indiana Department of Environmental Management
Office of Air Quality
and
City of Indianapolis
Environmental Resources Management Division**

**Technical Support Document (TSD) for a Part 70 Minor Source
Modification and Minor Permit Modification.**

Source Background and Description

Source Name:	Valspar Industries, Incorporated
Source Location:	546 West Abbott Street, Indianapolis, Indiana 46225
County:	Marion
SIC Code:	2851
Operation Permit No.:	T097-7789-00040
Operation Permit Issuance Date:	August 31, 1999
Minor Source Modification No.:	T097-14326-00040
Minor Permit Modification No.:	T097-14855-00040
Permit Reviewer:	D. Foster

The City of Indianapolis Environmental Resources Management Division (ERMD) and the Office of Air Quality (OAQ) have reviewed a modification application from Valspar Industries, Incorporated, relating to the construction of one (1) Latex Paint Production Line, identified as emission unit EU-17, consisting of a 6,000 gallon raw material storage tank, a 8,000 gallon dispersion mixer, and a 4,500 gallon letdown tank. This process will incorporate the use of the following existing tanks: 6,000 gallon raw material storage tank, a 6,000 gallon finished goods tank, and a 8,000 gallon finished goods tank. The water-based paint manufacturing process consists of adding dry ingredients to a dispersion mixer and wetting this product with water and ethylene glycol. The product is then mixed and transferred to the letdown tank where QA/QC checks are performed. The product is transferred to the finished product tanks for transfer to shipping containers. The production line has a maximum capacity rate of 20,000 tons per year of finished product. The initial loading and dispersion step of the process generate PM/PM10 emissions. The PM/PM10 emissions are controlled with a Torit Donaldson model TD-1150-155 pulse jet dust collector identified as DC-17.

History

On April 19, 2001, Valspar Industries, Incorporated, submitted an application to ERMD requesting to construct this new latex paint manufacturing line to their existing plant. Valspar Industries, Incorporated, was issued a Part 70 Operating Permit (T097-7789-00040) on August 31, 1999. Valspar was issued an interim permit (T097-14326I-00040) on May 7, 2001 to add this latex paint manufacturing line. Pursuant to 326 IAC 2-7-10.5(d)(4) (Part 70 permits; source modifications),

this request should be processed as a Minor Source Modification because the source is adding emission units which will result in a potential to emit that is less than the emission thresholds specifically identified in 326 IAC 2-7-10.5(d)(4).

Existing Approvals

The source was issued a Part 70 Operating Permit T097-7789-0040 on August 31, 1999. The source has since received the following:

- (a) First Administrative Amendment (T097-11482-00040) to their Part 70 Operating Permit, issued on February 16, 2000 to add an existing baghouse, control device DC16.
- (b) Second Administrative Amendment (T097-13947-00040) to their Part 70 Operating Permit, issued on February 16, 2001 for a name and owner change from Lilly Industries, Incorporated to Valspar Industries, Incorporated.
- (c) Interim Minor Permit Modification (T097-14326i-00040) to their Part 70 Operating Permit, issued on May 7, 2001 for the addition of a new Latex Paint Manufacturing.

Enforcement Issue

There are no enforcement actions pending.

Stack Summary

Stack ID	Operation	Height (feet)	Diameter (feet)	Flow Rate (acfm)	Temperature (°F)
DC-17	Dust Collector for Latex Paint Manufacture	12	1 x 1.5	2000 cfm	70

Recommendation

The staff recommends to the Commissioner that the Part 70 Minor Source Modification be approved. This recommendation is based on the following facts and conditions:

Unless otherwise stated, information used in this review was derived from the application and additional information submitted by the applicant.

An application for the purposes of this review was received on April 19, 2001.

Emission Calculations

The calculations submitted by the applicant have been verified and found to be accurate and correct.

Potential To Emit of Modification

Pursuant to 326 IAC 2-1.1-1(16), Potential to Emit is defined as "the maximum capacity of a stationary source to emit any air pollutant under its physical and operational design. Any physical or operational limitation on the capacity of a source to emit an air pollutant, including air pollution control equipment and restrictions on hours of operation or type or amount of material combusted, stored, or processed shall be treated as part of its design if the limitation is enforceable by the U. S. EPA."

This table reflects the PTE before controls. Control equipment is not considered federally enforceable until it has been required in a federally enforceable permit.

Pollutant	Potential To Emit (tons/year)
PM	24.7
PM-10	15.1
SO ₂	0.0
VOC	0.0
CO	0.0
NO _x	0.0

HAP's	Potential To Emit (tons/year)
Ethylene Glycol	0.071
TOTAL	0.071

Justification for Modification

The Part 70 Operating permit is being modified through a Part 70 Minor Permit Modification. This modification is being performed pursuant to 326 IAC 2-7-12, Permit modification, where the modification cannot be accomplished under the program's provisions for administrative permit amendments.

The Part 70 Operating permit is being modified through a Part 70 Minor Source Modification. This modification is being performed pursuant to 326 IAC 2-7-10.5(d)(4)(A), Modifications, where the modifications have a potential to emit of less than twenty-five (25) tons per year and equal to or greater than five (5) tons per year of either particulate matter (PM) or particulate matter less than ten (10) microns (PM₁₀).

County Attainment Status

The source is located in Marion County.

Pollutant	Status
PM-10	unclassifiable
SO ₂	maintenance attainment
NO ₂	attainment
Ozone	maintenance attainment
CO	attainment
Lead	unclassifiable

- (a) Volatile organic compounds (VOC) and oxides of nitrogen (NO_x) are precursors for the formation of ozone. Therefore, VOC and NO_x emissions are considered when evaluating the rule applicability relating to the ozone standards. Marion County has been designated as maintenance attainment or unclassifiable for ozone.

Source Status

Existing Source PSD or Emission Offset Definition (emissions after controls, based upon 8760 hours of operation per year at rated capacity and/or as otherwise limited):

Pollutant	Emissions (tons/year)
PM	< 100
PM10	< 100
SO ₂	< 100
VOC	< 100
CO	< 100
NO _x	< 100
Single HAP	> 10
Combination HAPs	> 25

- (a) This existing source is not a major stationary source because no attainment regulated pollutant is emitted at a rate of 250 tons per year or more, and it is not one of the 28 listed source categories.
- (b) The potential emissions (as defined in Indiana Rule) of any single HAP is equal to or greater than ten (10) tons per year and the potential emissions (as defined in Indiana Rule) of a combination HAPs is greater than or equal to twenty-five (25) tons per year. Therefore, the source is subject to the provisions of 326 IAC 2-7.
- (c) The source status is based upon the Part 70 permit T097-7789-00040 issued August 31, 1999.

Potential to Emit of Modification After Issuance

The table below summarizes the potential to emit, reflecting all limits, of the significant emission units after controls. The control equipment is considered federally enforceable only after issuance of this Part 70 source modification.

	Potential to Emit (tons/year)						
Process/facility	PM(a)	PM-10	SO ₂	VOC	CO	NO _x	HAPs (NL)
Water-based Latex manufacturing Line	24.7	15.1	0.0	0.0	0.0	0.0	0.071

- (a) PM Potential to Emit before control of the process is 24.7 tpy. PM limited by the Process Weight Rate Regulation 326 IAC 6-3 is 41.2 tpy. Therefore, the PTE of the process is given in this table.

(NL) No applicable limit.

This modification to an existing minor stationary source is not major because the emission increase is less than the PSD significant levels. Therefore, pursuant to 326 IAC 2-2, and 40 CFR 52.21, the PSD requirements do not apply.

Federal Rule Applicability

- (a) There are no New Source Performance Standards (NSPS)(326 IAC 12 and 40 CFR Part 60) applicable to this proposed modification.
- (b) There are no National Emission Standards for Hazardous Air Pollutants (NESHAPs)(326 IAC 14 and 40 CFR Part 63) applicable to this proposed modification.

State Rule Applicability - Individual Facilities

326 IAC 2.4-1 (Major Sources of Hazardous Air Pollutants)

This source is not subject to this rule because it does not have the potential to emit 10 tons per year of any HAP or 25 tons per year of any combination of HAP, and is not a major HAP source as defined in 40 CFR 63.41. The source will have a potential to emit of 0.071 tpy of Ethylene Glycol.

326 IAC 5-1 (Visible Emissions Limitations)

Pursuant to 326 IAC 5-1-2 (Opacity Limitations), except as provided in 326 IAC 5-1-3 (Temporary Exemptions), opacity shall meet the following, unless otherwise stated in this permit:

- (a) Opacity shall not exceed an average of forty percent (40%) any one (1) six (6) minute averaging period as determined in 326 IAC 5-1-4.
- (b) Opacity shall not exceed sixty percent (60%) for more than a cumulative total of fifteen (15) minutes (sixty (60) readings) as measured according to 40 CFR 60, Appendix A, Method 9 or fifteen (15) one (1) minute nonoverlapping integrated averages for a continuous opacity monitor) in a six (6) hour period.

326 IAC 6-3 (Process Weight Rate)

326 IAC 6-3 is applicable to all particulate emitting activities which are not otherwise regulated under Article 6. The particulate emissions for dust control unit DC-17 are limited by the following equation:

Interpolation and extrapolation of the data for the process weight rate up to 60,000 pounds per hour shall be accomplished by use of the equation:

$$E = 4.10 P^{0.67}$$

where E = rate of emission in pounds per hour;
and
P = process weight rate in tons per hour

For the new Latex Paint Manufacturing Line, emission unit EU-17, P is equal to 3.42 tons per hour and E is equal to 9.4 pounds per hour. These emissions units will be in compliance with 326 IAC 6-3 as long as the baghouse is maintained and operated in a manner consistent with good air pollution control practices. The baghouse shall be in operation at all times the latex manufacturing line is in operation, in order to comply with this limit.

326 IAC 8-1-6 (General New Facilities VOC Reduction Requirements)

This regulation applies to all facilities constructed after January 1, 1980 which have Potential VOC emissions greater than 25 tons per year and which are not limited by any other provisions under Article 8. This regulation does not apply to this facility since the Latex Manufacturing Line is water-based and incorporates no VOC ingredients.

326 IAC 8-6 (Organic Solvents Emissions Limitation)

326 IAC 8-6 applies to sources in existence prior to January 1, 1980 for which there are no other applicable emissions limitations under 326 IAC 8. This regulation does not apply to this facility since the Latex Manufacturing Line is water-based and incorporates no VOC ingredients.

Compliance Requirements

Permits issued under 326 IAC 2-7 are required to ensure that sources can demonstrate compliance with applicable state and federal rules on a more or less continuous basis. All state and federal rules contain compliance provisions, however, these provisions do not always fulfill the requirement for a more or less continuous demonstration. When this occurs IDEM, OAM, in conjunction with the source, must develop specific conditions to satisfy 326 IAC 2-7-5. As a result, compliance requirements are divided into two sections: Compliance Determination Requirements and Compliance Monitoring Requirements.

Compliance Determination Requirements in Section D of the permit are those conditions that are found more or less directly within state and federal rules and the violation of which serves as grounds for enforcement action. If these conditions are not sufficient to demonstrate continuous compliance, they will be supplemented with Compliance Monitoring Requirements, also Section D of the permit. Unlike Compliance Determination Requirements, failure to meet Compliance Monitoring conditions would serve as a trigger for corrective actions and not grounds for enforcement action. However, a violation in relation to a compliance monitoring condition will arise through a source's failure to take the appropriate corrective actions within a specific time period.

There are no compliance monitoring requirements applicable to Latex Manufacturing Line EU17 since:

- (a) there are no applicable NSPS rules,
- (b) conditions limiting potential to emit,
- (c) potential uncontrolled emissions will be less than 25 tons per year, and
- (d) controlled emissions will be less than 10 pounds per hour.

Conclusion

The construction of this proposed modification shall be subject to the conditions of the attached proposed Part 70 Minor Source Modification No. T097-14326-00040.